

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 1461
OFFERED BY MR. ROYCE OF CALIFORNIA**

[FHFA ombudsman]

Page 11, line 8, strike the quotation marks and the last period.

Page 11, after line 8, insert the following new subsection:

1 “(g) OMBUDSMAN.—

2 “(1) ESTABLISHMENT OF OFFICE.—There is
3 hereby established in the Agency the Office of the
4 Ombudsman. The Director shall appoint an Om-
5 budsman to administer the Office. The Ombudsman
6 shall report directly to the Director.

7 “(2) DUTIES.—The Ombudsman shall act as a
8 liaison between the Agency and any person adversely
9 affected by the Agency’s regulatory activities, includ-
10 ing the failure of the Agency to take a requested ac-
11 tion. The Ombudsman shall ensure that safeguards
12 exist to encourage complainants to come forward
13 and preserve confidentiality.



1 “(3) POWERS.—The powers of the Ombudsman
2 are as follows:

3 “(A) With the prior consent of the Direc-
4 tor, the Ombudsman may stay any appealable
5 Agency decision or action during the resolution
6 of any appealable matter.

7 “(B) The Ombudsman shall review and re-
8 port any weakness in Agency policy or proce-
9 dures to the Director, and make recommenda-
10 tions regarding changes in such policies or pro-
11 cedures.

12 “(4) APPEALABLE MATTERS.—Any party ad-
13 versely effected by an Agency decision or action may
14 seek Ombudsman review of such decision or action,
15 except for the following:

16 “(A) Appointments of a receiver or a con-
17 servator.

18 “(B) Preliminary examination conclusions
19 communicated to the regulated entity before a
20 final examination report is issued.

21 “(C) Any formal enforcement-related ac-
22 tion or decision, including the issuance of a for-
23 mal supervisory agreement, a cease-and-desist
24 order, a civil money penalty, or to take prompt



1 corrective action, issue a safety and soundness
2 order, or commence a formal investigation.

3 “(D) Formal and informal rulemakings
4 pursuant to subchapter II of chapter 5 of title
5 5, United States Code.

6 “(E) Decisions or recommended decisions
7 following formal adjudications conducted pursu-
8 ant to subchapter II of chapter 5 of title 5,
9 United States Code.

10 “(F) Requests for agency records pursuant
11 to section 552a of title 5, United States Code.

12 “(G) Any other Agency decisions that are
13 subject to judicial review.

14 “(5) PROCEDURE FOR FILING APPEAL.—Any
15 aggrieved party may seek review of appealable mat-
16 ters by filing a written appeal with the Office of the
17 Ombudsman. In the case of a regulated entity, the
18 appeal must be signed by the president or chief exec-
19 utive officer of the regulated entity. The appeal shall
20 set forth all of the reasons for the appeal and sup-
21 porting documentation. The Ombudsman may ar-
22 range for a meeting of Agency personnel and the
23 complainants to discuss the appeal.

24 “(6) EFFECT OF FILING APPEAL.—Unless the
25 Ombudsman determines otherwise, and obtains the



1 concurrence of the Director, material supervisory de-
2 cisions and actions are not staying pending an ap-
3 peal.

4 “(7) DECISION.—After a thorough investigation
5 of the matter, and after considering all relevant in-
6 formation provided by the complainant and the
7 Agency, the Ombudsman shall issue a written deter-
8 mination of the appeal. Such determination shall be-
9 come the final decision of the Agency, unless re-
10 versed, modified, or stayed by the Director.

11 “(8) PROHIBITION OF RETALIATION.—The
12 Agency and its staff may not take any adverse ac-
13 tion against a complainant for appealing any deci-
14 sions or action to the Ombudsman. Upon knowledge
15 of any possible retaliatory actions, the Ombudsman
16 shall investigate the matter, and if he or she deter-
17 mines that reasonable grounds exist to conclude that
18 retaliation has taken place, shall refer the matter to
19 the Inspector General for the Agency.”.

